Classes A and B



ANNUAL REPORT

OF

Name: EASTCOAST TELECOM, INC

Principal Office: 301 S WESTFIELD RD

P.O. BOX 5158

MADISON, WI 53705-0158

For the Year Ended: DECEMBER 31, 1997

TELECOMMUNICATIONS UTILITY TO PUBLIC SERVICE COMMISSION OF WISCONSIN

P.O. Box 7854 Madison, WI 53707-7854 (608) 267-9504

This form is required under Wis. Stat. § 196.07. Failure to file the form by the statutory filing date can result in the imposition of a penalty under Wis. Stat. § 196.66. The penalty which can be imposed by this section of the statutes is a forfeiture of not less than \$25 nor more than \$5,000 for each violation. Each day subsequent to the filing date constitutes a separate and distinct violation. The filed form is available to the public and personally identifiable information may be used for purposes other than those related to public utility regulation.

GENERAL RULES FOR REPORTING

- 1. Unless otherwise indicated, the information requested in this report should be taken from the accounts and other records in conformity with the Uniform System of Accounts prescribed by the Public Service Commission of Wisconsin in docket 05-US-102. The definitions and instructions contained therein should also apply to the report wherever applicable. A query or response concerning information contained in this report regarding any practice or transaction should not be construed as indicating conformity to accounting or other pertinent regulations.
- 2. Please follow all instructions and answer each question fully and accurately. Provide additional information as necessary to avoid misunderstandings or misleading responses. Abbreviations listed on page 6 may be used, however please show the exact name of the respondent in full on the "Identification and Ownership" page.
- 3. Wherever information is requested in a "note", please show that information in the space provided, or make reference to the adjacent page or insert where the note may be found. Please also identify each note. Footnote capability is included in the annual report software program. Please use it where necessary to fully explain particulars in the annual report.
- 4. Numeric items are limited to digits (0-9). A minus sign "-" should be entered in the software program to indicate negative values. Do not use parentheses for numeric values. The program will convert the minus sign to parentheses when a hard copy of the annual report is printed. Negative values may not be allowed for certain entries in the annual report due to restrictions contained in the software program.
- 5. Please report all dollar amounts to the nearest whole dollar.
- 6. This annual report should be complete in all respects. Unless otherwise authorized, avoid references to returns of former years or to other reports.
- 7. Wherever schedules call for data from the previous year and such data were reported in the previous annual report, that previous year's data should be reported without modification. If modified, an appropriate footnote indicator and explanation should be included in the current year's annual report.
- 8. Where part or all of the report is prepared by other than utility personnel, a disclosure is required in the notes to the income statement or the balance sheet, which describes the nature and extent of work performed.
- 9. Please print a hard copy of the annual report on 20 pound or heavier paper, sign it and compare with the electronic copy before officially filing it with the Public Service Commission of Wisconsin.

SIGNATURE PAGE

I GERALD A. RINGLUND	of .
(Person responsible for acco	unts)
EASTCOAST TELECOM, INC (Utility Name)	, certify that I
am the person responsible for accounts; that I have examined knowledge, information and belief, it is a correct statement of the period covered by the report in respect to each and every matter.	he business and affairs of said utility for the
GERALD A. RINGLUND	04/17/1998
(Person responsible for accounts)	(Date)
ASSISTANT TREASURER	
(Title)	_

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ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

Access Line Central office line equipment, or equivalent, and all outside plant facilities, or equivalent,

> required to connect the serving central office with the customer premises via physical connection, frequency transmission, and/or time slot transmission. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice channel or a

64 kilobits per second digital channel.

Analog Signal A signal that varies in a continuous manner such as voice or music. An analog signal must be

contrasted with a digital signal which can assume only discrete values.

A high capacity land mobile radio system in which an assigned frequency spectrum is divided Cellular System

into discrete channels that are assigned to a cellular geographic serving area.

Central Office A switching unit in a telephone system providing service to the general public, having the

necessary equipment and operating arrangements for terminating and interconnecting lines

and trunks.

Centrex A service for customers with many stations that permits station-to-station dialing, one listed

> directory number for the customer, direct inward dialing to a particular station and station identification on outgoing calls. The switching functions are performed in a central office

(stand alone, host or remote).

Channel An electrical communications path between two or more points. A single pair of wires may

provide more than one channel. A channel may also be provided by microwave.

A person who uses a telephone as a subscriber. Customer

Digital Signal A signal that has a limited number of discrete states. This may be contrasted with an analog

signal that varies in a continuous manner and may have an infinite number of states.

Equal Access The ability of the subscriber to use any long distance service by dialing the same number of

digits.

Exchange A defined area served by one or more central offices regardless of technical serving

> arrangements within which the company furnishes service at rates and rules prescribed for that area in the company's filed tariffs. The area is not necessarily marked by political

boundaries or the location of host or remote switching units.

Extended Area The ability of a customer to call customers in other exchanges at no additional charge or at an

additional charge per tariff.

Service (EAS)

Extended The ability of a customer to call customers in other exchanges at rates usually above EAS Community rates but below toll rates for comparable distances. Rates generally include a duration

Calling (ECC) element.

Feature Group A Line-side originating and terminating LATA access for which an originating subscriber dials an

> assigned telephone number that connects to a specific interexchange carrier (IC). The IC returns a tone to signal the caller to input additional generated digits of the called number.

ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

Feature Group B Trunk-side originating and terminating LATA access for which an originating subscriber dials a

950-WXXX number (where W=0, 1 and XXX is the carrier access code (CAC)), which is translated to a specific XXX carrier trunk group. Optional rotary dial service and ANI may be

available.

Feature Group C Trunk-side LATA access for AT&T-Communications generally on a direct

basis between each end office (EO) and an AT&T-C switching system.

Feature Group D Also referred to as equal access. It is trunk-side LATA access affording call supervision of an

interexchange carrier, a uniform access code (10XXXXX), optional calling party identification,

recording of access-charge billing details and presubscription to a customer specified

interexchange carrier.

FX-IN A nonswitched service where the customer of the company is connected to and receives

switching service through central office equipment located in another exchange area.

FX-OUT A switched service where facilities are provided from the central office out to the exchange

boundary where it meets the line from a foreign exchange subscriber.

Host Switching System A switching system that provides centralized control over most of the switching functions of one or more remote switching units. The host switching system usually provides trunk access

to the operating company intraLATA networks.

Local Access Transport Area (LATA) A geographic area within which an operating company may offer its telecommunications

services.

Mobile Telephone A service which provides radio telephone communication from a mobile vehicle to another

vehicle or to a regular telephone.

Paging A service which provides one-way signal or voice communication over a radio channel to a

miniature receiver carried by the customer.

Pair Two wires of a single circuit.

Pay Station A telephone which normally requires all users to deposit one or more coins or use a

credit card to complete a call.

Private Line Service Channel or circuit rented for private use and not intended to be connected to the general

distribution system.

Private Branch Exchange (PBX) A manually, or operator controlled switching system, usually on the customer's premises,

which serves that customer's telephones over a common group of lines from the central office.

Radio Common Carrier (RCC)

A company which furnishes public telecommunications service using one or more radio

channels.

Remote Switching An electronic switching system that is remote from its host or control office. All of the central

Unit (RSU) control equipment for the RSU is located in the host switching system.

ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

Route Miles

Year ended: December 31,1997

Total number of route miles (to the nearest mile) of operating plant facilities including drop wire in the exchange. One route mile may consist of:

- 1. One mile of roadway with any combination of outside plant facilities on any number of rights-of-way.
- 2. One mile of a cross country route with any combination of outside plant facilities.
- 3. One mile of point-to-point microwave or radio link.
- 4. One mile of plant on either side of a limited access highway or natural barrier, such as a navigable waterway.
- 5. One mile of joint use line where the utility either owns the facility or leases space.

Stand Alone Switch

A central office switch which has no remote switching units (RSUs) subtending it.

Trunk

A communications path connecting two switching systems in the establishment of an end-to-end connection.

Wide Area Telephone Service (WATS)

Customer leased access line or lines connected to the nationwide network over which an unlimited number of calls can be made for a fixed monthly charge.

Wire Center

The location of one or more local switching systems. A point at which customers' loops converge.

ABBREVIATIONS USED IN ANNUAL REPORTS

Acct	 Account
Accum	 Accumulated
Acq	 Acquisition
Admin	 Administrative
Alloc	 Allocation
Amort	 Amortization

CO Central Office

Depr Depreciation

EquipEquipmentExpExpensesEOYEnd of Year

FOY First of Year

Info Information

ITC Investment Tax Credit

Misc Miscellaneous

Nonreg Nonoperating **Nonreg** Nonregulated

OperOperatingOpnsOperationsOrigOriginating

Prop Property

ReceivReceivableRegRegulatedRevRevenues

Svcs Services

Telecom Telecommunications

Term Terminating

TPIS Telecommunications Plant in Service

TPUC Telecommunications Plant Under Construction

Uncoll Uncollectible

IDENTIFICATION AND OWNERSHIP

Exact Utility Name: EASTCOAST TELECOM, INC

Utility Location: 301 S WESTFIELD RD

P.O. BOX 5158

MADISON, WI 53705-0158

Utility Web Site Address:

When was utility organized?: 02/01/1908

Report any change in name and the effective date:

Officer in charge of correspondence concerning this report

Name: GERALD A. RINGLUND
Title: ASSISTANT TREASURER

Office Address: 301 S WESTFIELD ROAD

P.O. BOX 5158

MADISON, WI 53705-0158

Fax Number: (608) 664 - 4519 **Telephone Number:** (608) 664 - 4554

Email Address: gerald.ringlund@tdstelecom.com

Individual or firm, if other than utility employee, preparing this report

Name: KRISTINA D. KENYON
Title: STAFF ACCOUNTANT

Firm: TDS TELECOM

Office Address: 301 S WESTFIELD RD

P.O. BOX 5158

MADISON, WI 53705-0158

Fax Number: (608) 664 - 4519 **Telephone Number:** (608) 664 - 4572

Email Address: kristina.kenyon@tdstelecom.com

Person responsible for financial information contained in report

Name: GERALD A. RINGLUND
Title: ASSISTANT TREASURER

Office Address: 301 S WESTFIELD RD

P.O. BOX 5158

MADISON, WI 53705-0158

Fax Number: (608) 664 - 4519 **Telephone Number:** (608) 664 - 4554

Email Address: gerald.ringlund@tdstelecom.com

Person responsible for statistical information contained in report

Name: VARIOUS CONTACTS

Title: X

Office Address: 301 S WESTFIELD RD

MADISON, WI 53717-1799

Fax Number:

Telephone Number: (608) 999 - 9999

Email Address:

IDENTIFICATION AND OWNERSHIP

List names, addresses, and number of shares held by persons owning 5 percent or more of outstanding voting securities. If any stock is held by a nominee, give known particulars as to the beneficial owner (See Wis. Stat. § 196.795(1)(c), for definition of beneficial owner).

Name: TDS TELECOMMUNICATIONS CORPORATION

Address: 301 S WESTFIELD ROAD

MADISON, WI 53717-1707

Number of Shares Held: 12,730

Beneficial Owner: NONE

List companies owned, controlled, or operated and form and extent of such ownership, control or operation.

Company Name:

Form of Interest:

Extent Of Interest:

INCOME STATEMENT - TOTAL COMPANY

Particulars (a)	This Year (b)	Last Year (c)	
Operating Revenues (5000-5300)	4,190,305	3,779,261	1
Operating Expenses			
Plant Specific Operations Expense (6110-6410)	315,792	277,973	2
Plant Nonspecific Operations Expense	1,176,371	1,105,884	3
Customer Operations Expense (6610-6620)	754,218	687,447	4
Corporate Operations Expense (6710-6790)	654,029	563,012	5
Other Operating Income and Expense (7100)	1,230	959	6
Operating Taxes (7200)	598,463	542,333	7
Total Operating Expenses	3,497,643	3,175,690	8
Net Operating Income	692,662	603,571	9
Other Income			
Nonoperating Income and Expense (7300)	11,147	21,355	10
Nonoperating Taxes (7400)	2,778	7,881	11
Interest and Related Items (7500)	159,765	107,507	12
Extraordinary Items (7600)	0	0	13
Nonregulated Net Income (7990)	16,752	45,042	 14
Total Nonoperating Income	(134,644)	(48,991)	15
Net Income	558,018	554,580	16

NOTES TO INCOME STATEMENT OR BALANCE SHEET

In the space provided below, disclose all material information not included elsewhere in this report that is necessary to make the financial statements clear and understandable. Included should be:

 A summary of significant accounting policies. (The summaries should disclose, but not be limited to, the utility's accounting policies with regard to pension cost, unbilled revenues, depreciation, and income taxes.)

TELEPHONE PLANT

Telephone plant is stated as the original cost of construction including capitalized costs such as taxes, pensions, and other fringe benefits, and an allowance for funds used during construction (AFUDC).

DEPRECIATION

The company provides depreciation for financial reporting purposes using the straight-line method. Renewals and betterments of units of property are charged to telephone plant in service. The original cost of depreciable property retired, together with removal cost less any salvage realized, is charged to accumulated depreciation. Repairs and renewals of minor items of property are charged to maintenance expense. No gain or loss is recognized in connection with ordinary retirements of depreciable property.

REVENUES

Operating and nonoperating revenues are recognized when earned regardless of the period in which they are billed.

Compensation for all intrastate service is received through tariffed access charges billed to the long distance carrier and retained by the company.

Compensation for interstate access services is received through tariffed access charges filed by the National Exchange Carrier Association (NECA) with the Federal Communications Commission (FCC) on behalf of the member companies. These access charges are billed by the company to the interstate long distance carrier, and pooled with like revenues from all NECA member companies.

PENSION

The company is a member of the Telephone and Data Systems, Inc. Employees' Pension Trust I. This qualified, noncontributory defined contribution pension plan covers substantially all company employees. Under this plan, pension benefits and costs are funded currently.

INCOME TAXES

The company is included in the TDS consolidated federal income tax return. For financial reporting purposes, the company computes its federal income tax by applying the statutory rate to all its taxable income.

The company uses the full-normalization method for all timing differences with the resulting book-tax differences being provisioned through the deferred tax accounts. Deferred income taxes resulting from accelerated depreciation used for income tax purposes had previously been provided through the depreciation accounts. Such deferred taxes are credited to income as the related timing differences reverse. Investment tax credits resulting from investments in qualifying telephone plant and equipment

NOTES TO INCOME STATEMENT OR BALANCE SHEET

In the space provided below, disclose all material information not included elsewhere in this report that is necessary to make the financial statements clear and understandable. Included should be:

have been deferred and are being amortized to income over the service lives of the related property.

2. A summary of significant contingent assets and liabilities existing at year end, including a brief explanation of any action initiated by the Internal Revenue Service, Wisconsin Department of Revenue, or the utility involving a possible assessment or refund of taxes.

None.

3. The notes should include an explicit and precise explanation of any retained earnings restrictions and should state the amount of retained earnings affected by such restrictions.

The company is restricted from transferring funds to the parent or other affiliates in the form of cash dividends until certain financial requirements of its mortgage indentures have been met. At December 31, 1997, the company has invested no funds with Telecommunications Technologies Fund, Inc., and could distribute up to \$3,027,907 to the parent or other affiliates in the form of cash dividends.

BALANCE SHEET - ASSETS (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	BalanceEOY (b)	BalanceFOY (c)	
CURRENT ASSETS			
CASH AND EQUIVALENTS			
Cash and Equivalents (1120)*			1
Cash (1130)	337,611	139,397	_ 2
Special Cash Deposits (1140)	0	0	3
Working Cash Advances (1150)	700	800	_ 4
Temporary Investments (1160)	0	0	5
TOTAL CASH AND EQUIVALENTS	338,311	140,197	_
RECEIVABLES AND ALLOWANCES FOR DOUBTFUL ACCOUN	ITS		
Telecommunications Accounts Receivable (1180)*	356,489	304,002	_ 6
Accounts Receivable Allowance-Telecom (1181)*	0	0	7
Net: Telecommunications Accounts Receivable	356,489	304,002	
Other Accounts Receivable (1190)*	534,976	628,274	_ 8
Accounts Receivable AllowanceOther (1191)*	0	0	9
Net: Other Accounts Receivable	534,976	628,274	
Notes Receivable (1200)*	0	0	_ 10
Notes Receivable Allowance (1201)*	0	0	11
Net: Notes Receivable	0	0	
Interest and Dividends Receivable (1210)*	1,000	1,587	_ 12
TOTAL RECEIVABLES AND ALLOWANCES FOR DOUBTFUL	892,465	933,863	_
SUPPLIES			
Inventories (1220)*	57,635	68,145	13
TOTAL SUPPLIES	57,635	68,145	_
PREPAYMENTS			_
Total Prepayments (1280)*			_ 14
Prepaid Rents (1290)	0	0	15
Prepaid Taxes (1300)	4,012	0	_16
Prepaid Insurance (1310)	0	0	17
Prepaid Directory Expenses (1320)	13,982	0	18
Other Prepayments (1330)	15,444	10,828	 19
TOTAL PREPAYMENTS	33,438	10,828	
OTHER CURRENT ASSETS			_
Other Current Assets (1350)*	1,610	1,835	20
TOTAL OTHER CURRENT ASSETS	1,610	1,835	_
TOTAL CURRENT ASSETS	1,323,459	1,154,868	_
NONCURRENT ASSETS	.,,	1,101,000	_
INVESTMENTS			
Investment in Affiliated Companies (1401)*	0	0	21
Investments in Nonaffiliated Companies (1402)*	46,501	46,501	22
Nonregulated Investments (1406)*	12,501	27,856	 23
Unamortized Debt Issuance Expense (1407)*	0	0	24
Sinking Funds (1408)*	0	0	25

BALANCE SHEET - ASSETS (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	BalanceEOY (b)	BalanceFOY (c)	
NONCURRENT ASSETS			
INVESTMENTS			
Other Noncurrent Assets (1410)*	0	0	_ 26
TOTAL INVESTMENTS	59,002	74,357	_
DEFERRED CHARGES			
Deferred Tax Regulatory Asset (1437)*	1,497	1,946	27
Deferred Maintenance and Retirements (1438)*	0	0	_ 28
Deferred Charges (1439)*	2,500	0	29
TOTAL DEFERRED CHARGES	3,997	1,946	_
TOTAL NONCURRENT ASSETS	62,999	76,303	
PLANT			_
TELECOMMUNICATIONS PLANT IN SERVICE			
Telecommunications Plant in Service (2001)*	14,606,076	12,831,056	_ 30
Less: Accumulated Depreciation (3100)*	6,625,080	5,975,899	31
Less: Accumulated AmortizationCapitalized Leases (3410)*	0	0	_ 32
Less: Accumulated AmortizationLeasehold Improvements (3420)*	0	0	33
Less: Accumulated AmortizationIntangible (3500)*	0	0	_ 34
NET TELECOMMUNICATIONS PLANT IN SERVICE	7,980,996	6,855,157	_
PROPERTY HELD FOR FUTURE USE			
Prop. Held for Future Telecommun. Use (2002)*	0	0	35
Less: Accumulated DepreciationHeld for Future	0	0	36
Telecommunications Use (3200)*		•	
NET PROPERTY HELD FOR FUTURE USE	0	0	_
NONOPERATING PLANT	_	_	
Nonoperating Plant (2006)*	0	0	37
Less: Accumulated DepreciationNonoperating (3300)*	0	0	_ 38
NET NONOPERATING PLANT	0	0	_
TPUC			
TPUC (2003)*	67,766	663,163	39
TOTAL TPUC	67,766	663,163	_
TELECOMMUNICATIONS PLANT ADJUSTMENT			
Telecommunications Plant Adjustment (2005)*	0	0	40
Less: Accumulated AmortizationOther (3600)*	0	0	41
NET TELECOMMUNICATIONS PLANT ADJUSTMENT	0	0	
TOTAL PLANT	8,048,762	7,518,320	_
TOTAL ASSETS AND OTHER DEBITS*	9,435,220	8,749,491	_

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BALANCE SHEET - LIABILITIES (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	BalanceEOY (b)	BalanceFOY (c)	
CURRENT LIABILITIES			
Accounts Payable (4010)*	326,959	467,408	1
Notes Payable (4020)*	1,428,000	953,000	_ 2
Advance Billing and Payments (4030)*	89,200	76,800	3
Customer Deposits (4040)*	0	1,522	_ 4
Current MaturitiesLong-Term Debt (4050)*	95,600	97,613	5
Current MaturitiesCapital Leases (4060)*	0	0	_ 6
Income TaxesAccrued (4070)*	39,676	0	7
Other TaxesAccrued (4080)*	(5,532)	20,421	_ 8
Net Current Deferred Operating Income Taxes (4100)*	0	0	9
Net Current Deferred Nonoperating Income Taxes (4110)*	0	0	10
Other Accrued Liabilities (4120)*	36,616	22,059	11
Other Current Liabilities (4130)*	13,107	2,007	_ 12
TOTAL CURRENT LIABILITIES*	2,023,626	1,640,830	_
LONG-TERM DEBT			
Funded Debt (4210)*	1,072,242	1,169,349	13
Premium on Long-Term Debt (4220)*	0	0	_ 14
Discount on Long-Term Debt (4230)*	0	0	15
Reacquired Debt (4240)*	0	0	_ 16
Obligations Under Capital Leases (4250)*	0	0	17
Advances from Affiliated Companies (4260)*	0	0	18
Other Long-Term Debt (4270)*	0	0	19
TOTAL LONG-TERM DEBT*	1,072,242	1,169,349	_
OTHER LIABILITIES AND DEFERRED CREDITS			
Other Long-Term Liabilities (4310)*	98,066	93,996	_ 20
Unamortized Operating ITCNet (4320)*	3,486	19,187	21
Unamortized Nonoperating ITCNet (4330)*	0	0	_ 22
Net Noncurrent Deferred Operating Income Taxes (4340)*	644,528	565,429	23
Net Deferred Tax Liability Adjustments (4341)*	(6,104)	(15,828)	_ 24
Net Noncurrent Deferred Nonoperating Income Taxes (4350)*	0	0	25
Other Deferred Credits (4360)*	0	0	_ 26
Deferred Tax Regulatory Liability (4361)*	7,598	17,771	27
TOTAL OTHER LIABILITIES AND DEFERRED CREDITS*	747,574	680,555	_
STOCKHOLDERS' EQUITY			
Capital Stock (4510)*	636,500	636,500	_ 28
Additional Paid-in Capital (4520)*	0	0	29
Treasury Stock (4530)*	700	700	_ 30
Other Capital (4540)*	0	0	31
Retained Earnings (4550)*	4,955,977	4,622,959	_ 32
TOTAL STOCKHOLDERS' EQUITY*	5,591,777	5,258,759	_
TOTAL LIABILITIES AND OTHER CREDITS*	9,435,219	8,749,493	

STATEMENT OF CASH FLOWS

Item (a)	Amount (b)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	558,018	1
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation and amortization	916,549	2
Interest during construction	0	3
Changes in assets and liabilities:		
Current assets (net)	29,523	4
Other noncurrent assets	(2,051)	5
Other current liabilities	(90,191)	6
Other liabilities and deferred credits	67,019	7
Other (specify):		
TOTAL ADJUSTMENTS	920,849	
NET CASH PROVIDED BY OPERATING ACTIVITIES (NET INCOME & ADJUST.)	1,478,867	
CASH FLOWS FROM INVESTING ACTIVITIES Capital Expenditures:		
Changes in plant (net)	(1,446,991)	8
Investments in affiliated companies	0	9
Nonoperating Investments	15,355	10
Other (specify): NET CASH USING IN INVESTING ACTIVITIES	(1,431,636)	
CASH FLOWS FROM FINANCING ACTIVITIES		
Change in capital lease obligations (net)	0	11
Change in long-term debt (net)	(99,120)	12
Net changes in stockholder equity other than retained earnings	0	13
Change in short term borrowing (net)	475,000	14
Dividends paid	(225,000)	15
Miscellaneous debits/credits to retained earnings	0	16
Other (specify): Net Cash Provided by Financing Activities	150,880	
NET INCREASE IN CASH AND CASH EQUIVALENTS	198,111	
Cash and cash equivalents at beginning of year (Accts. 1130-1160 for Class A; 1120 for Class B)		
Cash and cash equivalents at end of year		

(Accts. 1130-1160 for Class A; 1120 for Class B)

IMPORTANT CHANGES DURING THE YEAR

1. Give the name and address of all companies which during the year came under the direct control of the respondent otherwise than through title to securities, stating whether such control is sole or joint, how control was established, names of other parties to a joint agreement for control, the extent of control exercised by each party, and any other pertinent data requisite to a clear understanding of the arrangements relating to control (See Section 32.9000 of the Uniform System of Accounts). Where important details relating to control of a company have changed, give particulars. If during the year a company ceased to be controlled by the respondent, its name and a statement of fact will be sufficient.

None.

2. Give the name and address of all companies which during the year came under the indirect control of the respondent through non-reporting intermediaries, stating whether such control is sole or joint, how control was established, names of other parties to a joint agreement for control, the extent of control exercised by each party, the name and address of the intermediary through which the indirect control exists, and any other pertinent data requisite to a clear understanding of the arrangements relating to control (See Section 32.9000 of the Uniform System of Accounts). Where important details relating to control of a company have changed, give particulars. If during the year a company ceased to be controlled by the respondent, its name and a statement of fact will be sufficient.

None.

3. Important leaseholds acquired, given, assigned or surrendered, giving effective dates, lengths of terms, names of parties, rents, and other conditions.

None.

4. List extension of system (other than additions supplementing existing facilities of the respondent) whether by purchase, construction, donation, or otherwise, such as a substantially complete telephone system, exchange or toll line. Give the location, new territory covered, and dates of beginning operation, and in case of purchase give also the name and address of the company from which purchased, date of acquisition, the consideration given, and reference to Commission authorization.

None.

5. Estimated increase or decrease in annual revenues due to important rate changes, giving bases of estimates.

Rate increase, January 1997, \$135,900 annual rate increase.

6. Obligation incurred or assumed by respondent as guarantor for the performance by another of any agreement or obligation, excluding ordinary commercial paper maturing on demand or not later than one year after date of issue.

None.

7. Changes in articles of incorporation or amendments to charter.

None.

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8. Additional matters of fact (not elsewhere provided for) which respondent may desire to include in its report.

In 1997 payphones were deregulated. Since that time, depreciation on this investment has been recorded as a nonregulated expense. However, temporarily for internal tracking purposes, the net investment has not been reclassfied to nonregulated activities as of 12/31/1997.

AFFILIATE ABBREVIATIONS

In column (b) provide the abbreviation for the name of the affiliate shown in column (a). Limit abbreviations to 10 characters or less. Use these abbreviations when completing the affiliated interest schedules. Insert "Other" in the Abbreviations column if the activity to be reported for a particular record in the Affiliated Interest Transactions or Affiliated Assets and Liabilities schedule represents an aggregation of activity not exceeding the dollar or percentage limits set forth in the header of that schedule.

Name of Affiliate (a)	Abbreviations (b)	
Other	OTHER	1
Suttle Press, Inc.	SUTTLE	2
Telephone & Data Systems, Inc.	TDS CORP	3
TDS Telecom, Inc.	TDS TEL	4
TDS Computing Services, Inc.	TDS/CS	5
Telecommunications Technologies Fund	TTF	6

AFFILIATED INTEREST TRANSACTIONS

Provide a summary of transactions under established affiliated interest contracts and arrangements (see Wis. Stat. § 196.52, for "affiliated interest" definitions). Use the space below to report transactions with individual affiliates and multiple affiliated interest agreements or, at the utility's option, with individual affiliates and a single agreement. Activity associated with affiliated contracts or arrangements not in excess of \$25,000 or 5 percent of the equity of the utility, whichever is smaller, may be aggregated in a single record. For utilities whose intrastate gross operating revenues of the previous year exceeded \$100,000,000, individual contracts or arrangements not exceeding \$100,000 may be aggregated in a single record. Where an affiliate is both providing and receiving service use one record to show billings to and a second record for billings from. When billings to or from an affiliate are recorded on the books of the utility, the records underlying such billings shall be sufficient to show all the detail maintained to identify the associated accounts related to the billing and categorize billings according to the account categories shown below.

Particulars					
(a)	(b)	(c)	(d)	(e)	_
Docket	0005-TI-000124	0005-TI-000124	None	0005-TI-000124	_
Name of Affiliate	OTHER	OTHER	SUTTLE	TDS CORP	_ 1
Designate whether billed to or from:	FROM	ТО	FROM	FROM	2
Cost Based (C), Market Price (M), Prevailing Price (P), Tariff (T), Other (O)	C	; C	М	С	_ 3
Revenues	0	0	0	0	4
Expenses:					_
Plant Specific Operations Expense	0	144	0	0	5
Plant Nonspecific Operations Expense	0	63	0	1,940	_ 6
Customer Operations Expense	0	1,069	187	0	_ 7
Corporate Operations Expense	74	0	0	99,725	8
Total Operating Expenses	74	1,276	187	101,665	9
Other:					
Plant Accounts	15,691	0	0	0	10
Accumulated Depreciation	0	0	0	0	11
Accumulated Amortization	0	0	0	0	_12
Clearing	0	0	0	0	13
All Other	0	1,137	0	0	_14
Total	15,765	2,413	187	101,665	_ 15
Percent of affiliate's business billed to all affiliated regulated utilities			62.00		- 16
If cost based, rate of return on equity					_
or markup incorporated in billings	0.00			0.00	17
Footnotes				Р	_

AFFILIATED INTEREST TRANSACTIONS

Provide a summary of transactions under established affiliated interest contracts and arrangements (see Wis. Stat. § 196.52, for "affiliated interest" definitions). Use the space below to report transactions with individual affiliates and multiple affiliated interest agreements or, at the utility's option, with individual affiliates and a single agreement. Activity associated with affiliated contracts or arrangements not in excess of \$25,000 or 5 percent of the equity of the utility, whichever is smaller, may be aggregated in a single record. For utilities whose intrastate gross operating revenues of the previous year exceeded \$100,000,000, individual contracts or arrangements not exceeding \$100,000 may be aggregated in a single record. Where an affiliate is both providing and receiving service use one record to show billings to and a second record for billings from. When billings to or from an affiliate are recorded on the books of the utility, the records underlying such billings shall be sufficient to show all the detail maintained to identify the associated accounts related to the billing and categorize billings according to the account categories shown below.

Particulars					
(a)	(b)	(c)	(d)	(e)	
Docket	0005-TI-000124 00	005-TI-000124			
Name of Affiliate	TDS TEL	TDS/CS			
Designate whether billed to or from:	FROM	FROM			
Cost Based (C), Market Price (M), Prevailing Price (P), Tariff (T), Other (O)	С	С			
Revenues	0	0			
Expenses:					
Plant Specific Operations Expense	6,006	0			
Plant Nonspecific Operations Expense	153,612	3,059			
Customer Operations Expense	247,653	183,357			
Corporate Operations Expense	411,672	42,437			
Total Operating Expenses	818,943	228,853	0	0	_
Other:					
Plant Accounts	231,007	0			
Accumulated Depreciation	0	0			
Accumulated Amortization	0	0			_
Clearing	0	0			
All Other	8,807	0			_
Total	1,058,757	228,853	0	0	_
Percent of affiliate's business billed to all affiliated regulated utilities					_
If cost based, rate of return on equity or markup incorporated in billings	0.00	15.00			_

AFFILIATED ASSETS AND LIABILITIES

This schedule should be used to report affiliated activity concerning balances at the end of the year for the following accounts: 1120, Cash and Equivalents; 1160, Temporary Investments; 1180, Telecommunications Accounts Receivable; 1190, Other Accounts Receivable; 1210, Interest and Dividends Receivable; 1401, Investment in Affiliated Companies; 4010, Accounts Payable; and 4260, Advances from Affiliated Companies. Amounts at the end of the year for each affiliate should be identified by respective affiliate and account number. Report information below consecutively by respective account number; affiliated amounts of less than \$5,000 may be reported in aggregate as "other" for a particular account. Affiliated amounts recorded in accounts 1200, Notes Receivable, 1408, Sinking Funds, and 4020, Notes Payable, should not be reported in this schedule, but rather in the respective schedules contained elsewhere in this report.

Name of Affiliate (a)	Account Number (b)	Balance EOY (c)	
Other	1190	1,929	1
TDS Telecom, Inc.	1190	108,887	2
TDS Computing Services, Inc.	1190	36,980	3
Other	4010	1,460	4
Telephone & Data Systems, Inc.	4010	15,605	5 L
TDS Telecom, Inc.	4010	128,265	6
Telecommunications Technologies Fund	4010	10,754	7

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ACCOUNTS RECEIVABLE NET WRITE OFFS - TELECOMMUNICATIONS

This schedule should be used to report accounts receivable net write off activity.

Particulars (a)	Amount (b)	
Collection of amounts previously written off	0	1
Uncollectibles written off during the year	0	2
Net write offs during the year	0	_

Year ended: December 31,1997 Utility No. 3880 - EASTCOAST TELECOM, INC.

NOTES RECEIVABLE (ACCT. 1200) AND ALLOWANCES (ACCT. 1201)

For affiliates, list by issue or note by affiliate. Other, list by issue or note by entity. Separately identify economic development loans and associated particulars.

Name of Maker	Issue		Interest	Amount	Allowance	
and purpose	Date	Maturity	Rate	EOY	Acct. 1201	
(a)	(b)	(c)	(d)	(e)	(f)	

NONE

Total

INVESTMENTS IN NONAFFILIATED COMPANIES (ACCT. 1402)

Name (a)	Balance EOY (b)	
RTB Class B Stock	42,101	1
Other:		
RTB Class C Stock	4,000	2
Valders Development Corporation	300	3
St. Nazianz Community Growth Stock	100	4
Total Investments in Nonaffiliated Companies	46,501	

NONREGULATED INVESTMENTS (ACCT. 1406)

Report below the name and end-of-year balance of total net investment and inventory (accts. 1406.10, 1406.11 and 1406.12) for each nonregulated activity. Telephone utilities not subject to dual jurisdiction should report materials and supplies held for resale in account 1406.

	Balance	
Name	EOY	
(a)	(b)	
Total Net Investment and Inventory (Accts. 1406.10, 1406.11, and 1406.12):		
Direct Broadcast Satellite	214	1
Leased phones and business systems	12,287	2 M

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DEFERRED MAINTENANCE AND RETIREMENTS (ACCT. 1438)

List items individually by Commission approval noting the date of approval.

	Description of Item (a)	Balance EOY (b)
None		0 1
Total		0

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)	
GENERAL SUPPORT ASSETS				
Land	2111	41,181	0	1
Motor Vehicles	2112	209,868	32,654	2
Aircraft	2113	0	0	 3
Special Purpose Vehicles	2114	0	0	4
Garage Work Equipment	2115	0	0	 5
Other Work Equipment	2116	209,271	8,916	6
Buildings	2121	469,621	0	7
Furniture	2122	14,744	5,584	8
Office Equipment	2123	55,158	0	9 к
General Purpose Computers	2124	585,519	256,011	10
TOTALGENERAL SUPPORT ASSETS:		1,585,362	303,165	
CENTRAL OFFICE ASSETS				
Analog Electronic Switching	2211	0	0	11
Digital Electronic Switching	2212	2,989,733	990,463	12 J
Electro-Mechanical Switching	2215	0	0	13 K
Operator Systems	2220	0	0	14
Radio Systems	2231	11,285	0	15 K
Circuit Equipment	2232	1,541,999	360,713	16 J
TOTALCENTRAL OFFICE ASSETS:		4,543,017	1,351,176	
INFORMATION ORIGINATION/TERMINATION ASSE				
Station Apparatus	2311	0	0	17
Customer Premises Wiring	2321	0	0	18
Large Private Branch Exchanges	2341	0	0	19
Public Telephone Terminal Equipment	2351	48,433	0	20
Other Terminal Equipment	2362	0	0	21
TOTALINFORMATION ORIG/TERM ASSETS: CABLE WIRE FACILITIES ASSETS		48,433	0	
Poles	2411	40,522	631	22
Aerial Cable	2421	342,597	3,625	23 K
Underground Cable	2422	118,701	48,845	24 K
Buried Cable	2423	5,884,117	1,189,848	25 K
Submarine Cable	2424	0	0	26 K
Deep Sea Cable	2425	0	0	27
Intrabuilding Network Cable	2426	0	0	28 K
Aerial Wire	2431	17,532	0	29
Conduit Systems	2441	250,776	1,774	30
TOTALCABLE WIRE FACILITIES ASSETS:		6,654,245	1,244,723	_
AMORTIZABLE ASSETS				
Capital Leases	2681	0	0	31

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (cont.)

	Balance EOY (h)	Transfers / Adjustments (g)	Retirements (f)	Account (e)
1	41,181		0	2111
2	220,784		21,738	2112
3	0		0	2113
4	0		0	2114
5	0		0	2115
6	218,187		0	2116
7	469,621		0	2121
8	20,328		0	2122
9 K	55,158	0	0	2123
10	836,430		5,100	2124
	1,861,689	0	26,838	
11	0		0	2211
12 J	3,141,639	(841,448)	(2,891)	2212
13 K	0	0	0	2215
14	0		0	2220
15 K	11,285	0	0	2231
16 J	1,886,950	(4,207)	11,555	2232
	5,039,874	(845,655)	8,664	
17	0		0	2311
18	0		0	2321
19	0		0	2341
20	48,433		0	2351
21	0		0	2362
	48,433	0	0	
22	39,219		1,934	2411
23 K	338,546	0	7,676	2421
24 K	167,546	0	0	2422
25 K	6,845,942	0	228,023	2423
26 K	0	0	0	2424
27	0		0	2425
28 K	0	0	0	2426
29	12,277		5,255	2431
30	252,550		0	2441
	7,656,080	0	242,888	
31	0		0	2681

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

		Balance		
Plant Account	Account	FOY	Additions	
(a)	(b)	(c)	(d)	
AMORTIZABLE ASSETS				
Leasehold Improvements	2682	0	0	32
Intangibles	2690	0	0	33
TOTALAMORTIZABLE ASSETS:		0	0	
TOTAL TELECOM. PLANT IN SERVICE	2001	12,831,057	2,899,064	
Less: Allocation to Nonregulated Activity - EOY	2001			34
NET REG. TOTAL TELE PLANT IN SERV - FOY	2001			

Explain all amounts shown in column (g).

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (cont.)

	Balance EOY (h)	Transfers / Adjustments (g)	Retirements (f)	Account (e)
32	0		0	2682
33	0		0	2690
	0	0	0	
	14,606,076	(845,655)	278,390	
34	0			2001
	14 606 076			

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (SUB-CLASS ACCOUNTS)

Report telecommunications plant data for each subaccount where primary plant accounts have subclassifications. Amounts pertaining to subaccount 2212.4, Test Equipment, should be reported in account 2212.2, Digital Switching - Central Office; amounts for subaccounts 2231.3, Microwave, 2231.4, Cellular, 2231.5, Mobile Radio, and 2231.6, Paging, should be included in 2231.2, Other Radio Facilities; amounts pertaining to subaccounts 2232.4, Digital Data Services, 2232.5, Digital Circuit - Subscriber, 2232.6, Digital Circuit - Trunk - Toll, and 2232.7, Concentrators, should be reported in 2232.1, Digital Circuit Equipment. Any other separate accounting for telephone plant at an individual telephone company should be consolidated and reported in the primary accounts as defined in the uniform system of accounts.

		Dalalice		
Plant Subaccount (a)	Subaccount (b)	FOY (c)	Additions (d)	
Office Support Equipment	2123.1	18,795	0	_ 1
Company Communications Equipment	2123.2	36,363	0	2
Software	2212.1	62,809	0	_ 3
Digital Switching - Central Office	2212.2	2,588,058	140,346	4 J
Digital Switching - Remote	2212.3	338,866	850,117	_
Step by Step Switching	2215.1	0	0	6
Crossbar Switching	2215.2	0	0	_ 7
Satellite and Earth Station Facilities	2231.1	0	0	8
Other Radio Facilities	2231.2	11,285	0	9
Digital Circuit Equipment	2232.1	1,271,685	327,145	10 J
Analog Circuit Equipment	2232.2	0	0	11
Light Wave Circuit Equipment	2232.3	270,314	33,568	12
Aerial Cable - Nonmetallic	2421.1	0	0	13
Aerial Cable - Metallic	2421.2	342,597	3,625	_14
Underground Cable - Nonmetallic	2422.1	0	1,413	15
Underground Cable - Metallic	2422.2	118,701	47,432	_16
Buried Cable - Nonmetallic	2423.1	716,473	182,026	17
Buried Cable - Metallic	2423.2	5,167,644	1,007,822	_18
Submarine Cable - Nonmetallic	2424.1	0	0	19
Submarine Cable - Metallic	2424.2	0	0	_20
Intrabuilding Cable - Nonmetallic	2426.1	0	0	21
Intrabuilding Cable - Metallic	2426.2	0	0	_22

Explain all amounts shown in column (g).

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (SUB-CLASS ACCOUNTS) (cont.)

	Balance EOY (h)	Transfers / Adjustments (g)	Retirements (f)	Subaccount (e)
₁	18,795		0	2123.1
2	36,363		0	2123.2
3	62,809		0	2212.1
4 J	1,889,847	(841,448)	(2,891)	2212.2
5	1,188,983		0	2212.3
6	0		0	2215.1
7	0		0	2215.2
8	0		0	2231.1
9	11,285		0	2231.2
10 J	1,583,068	(4,207)	11,555	2232.1
11	0		0	2232.2
12	303,882		0	2232.3
13	0		0	2421.1
14	338,546		7,676	2421.2
15	1,413		0	2422.1
16	166,133		0	2422.2
17	898,499		0	2423.1
18	5,947,443		228,023	2423.2
19	0		0	2424.1
20	0		0	2424.2
21	0		0	2426.1
22	0		0	2426.2

ACCUMULATED DEPRECIATION CLASS A & B

Primary Plant Account (a)	Acct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)	
GENERAL SUPPORT ASSETS						
Motor Vehicles	2112	140,134	15.0	32,198		1
Aircraft	2113	0				2
Special Purpose Vehicles	2114	0				3
Garage Work Equipment	2115	0				4
Other Work Equipment	2116	152,102	10.0	21,096		5
Buildings	2121	288,592	3.3	15,972		6
Furniture	2122	8,587	10.0	1,476		7
Office Equipment	2123	51,691	19.69	2,527		8
General Purpose Computers	2124	358,383	20.0	117,510		9
Total GENERAL SUPPORT ASSETS		999,489		190,779	0	
CENTRAL OFFICE ASSETS						
Analog Electronic Switching	2211	0			•	10
Digital Electronic Switching	2212	1,582,810	8.8599	237,482		11
Electro-Mechanical Switching	2215	0			•	12
Operator Systems	2220	0				13
Radio Systems	2231	11,285	9.5	(564)	•	14
Circuit Equipment	2232	812,107	9.8999	155,869		15J
Total CENTRAL OFFICE ASSETS		2,406,202		392,787	0	
INFORMATION ORIG/TERM ASSE	TS					
Station Apparatus	2311	50				16
Customer Premises Wiring	2321	0				17
Large Private Branch Exchanges	2341	0			•	18
Public Telephone Terminal Equipment	2351	38,948	13.6	6,588		19
Other Terminal Equipment	2362	0			2	20
Total INFORMATION ORIG/TERM ASS	ETS	38,998		6,588	0	
CABLE WIRE FACILITIES ASSET	S					
Poles	2411	48,413	10.0	3,969	2	21 N
Aerial Cable	2421	319,058	4.96	20,511	2	22
Underground Cable	2422	42,276	4.4	5,706		23
Buried Cable	2423	2,049,885	4.98	295,925	2	24
Submarine Cable	2424	0				25
Deep Sea Cable	2425	0			2	26
Intrabuilding Network Cable	2426	0				27
Aerial Wire	2431	14,631	19.0	3,252		28 0

ACCUMULATED DEPRECIATION CLASS A & B

Primary Plant Account (a)	Acct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)
CABLE WIRE FACILITIES ASSETS					
Conduit Systems	2441	56,947	3.03	7,596	29
TotalCABLE WIRE FACILITIES ASSETS		2,531,210		336,959	0
Total Accumulated Depreciation	3100	5,975,899		927,113	0
Less: Allocation to Nonregulated Activity - Columns e, f and I	3100				30
Net Regulated Total Accum Depreciation Columns e, f and I	- 3100				

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (I)	
2112	21,738		2,500		153,094	1
2113	0				0	2
2114	0				0	3
2115	0				0	4
2116	0				173,198	5
2121	0		25		304,589	6
2122	0				10,063	7
2123	0				54,218	8
2124	5,100		68		470,861	9
	26,838	0	2,593	0	1,166,023	
0044					•	40
2211	0		40.000		0	10
2212	(2,891)		12,000		1,835,183	11
2215	0				0	12
2220	0				0	13
2231	0		4 400	(4.007)	10,721	14
2232	11,555	0	1,463	(4,207)	953,677	15 J
	8,664	0	13,463	(4,207)	2,799,581	
2311	0		(50)		0	16
2321	0				0	17
2341	0				0	18
2351	0				45,536	19
2362	0				0	20
	0	0	(50)	0	45,536	
2411	1,934	872			49,576	21 N
2421	7,676	2,125			329,768	21 N
2421	0	2,125			47,982	23
2423	228,023	8,438	202		2,109,551	24
2423	0	0,430	202		2,109,551	24 25
2424	0				0	26 26
2426	0				0	20 27
2431	5,255	108			12,520	28 0
	5,255	100			12,320	

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (I)	
2441	0				64,543	29
	242,888	11,543	202	0	2,613,940	
3100	278,390	11,543	16,208	(4,207)	6,625,080	
3100						30
3100						

ACCUMULATED DEPRECIATION CLASS A & B (SUB-CLASS ACCOUNTS)

Where subclassifications of primary plant accounts are used, report below the accumulated depreciation details for each subaccount. Amounts pertaining to subaccount 2212.4, Test Equipment, should be reported in account 2212.2, Digital Switching - Central Office; amounts for subaccounts 2231.3, Microwave, 2231.4, Cellular, 2231.5, Mobile Radio, and 2231.6, Paging, should be included in 2231.2, Other Radio Facilities; amounts pertaining to subaccounts 2232.4, Digital Data Services, 2232.5, Digital Circuit - Subscriber, 2232.6, Digital Circuit - Trunk - Toll, and 2232.7, Concentrators, should be reported in 2232.1, Digital Circuit Equipment. Any other separate accounting for telephone accumulated depreciation at an individual telephone company should be consolidated and reported in the primary accounts as defined in the uniform system of accounts.

Plant Subaccount (a)	Subacct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)
Office Support Equipment	2123.1	15,328	19.0	2,527	1
Company Communications Equipment	1 2123.2	36,363	20.0		2
Software	2212.1	62,809	33.33		3
Digital Switching - Central Office	2212.2	1,222,564	7.94	172,141	4
Digital Switching - Remote	2212.3	297,437	7.85	65,341	5
Step by Step Switching	2215.1	0			6
Crossbar Switching	2215.2	0			7
Satellite and Earth Station Facilities	2231.1	0			8
Other Radio Facilities	2231.2	11,285	9.5	(564)	9
Digital Circuit Equipment	2232.1	731,775	9.95	128,639	10
Analog Circuit Equipment	2232.2	0			11
Light Wave Circuit Equipment	2232.3	80,332	9.5	27,230	12
Aerial Cable - Nonmetallic	2421.1	0	4.8		13
Aerial Cable - Metallic	2421.2	319,058	4.96	20,511	14
Underground Cable - Nonmetallic	2422.1	0	4.4		15
Underground Cable - Metallic	2422.2	42,276	4.4	5,706	16
Buried Cable - Nonmetallic	2423.1	146,259	4.8	34,578	17
Buried Cable - Metallic	2423.2	1,903,626	5.0	261,347	18
Submarine Cable - Nonmetallic	2424.1	0			19
Submarine Cable - Metallic	2424.2	0			20
Intrabuilding Cable - Nonmetallic	2426.1	0			21
Intrabuilding Cable - Metallic	2426.2	0			22

ACCUMULATED DEPRECIATION CLASS A & B (SUB-CLASS ACCOUNTS) (cont.)

Subacct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (I)	
2123.1	0				17,855	1
2123.2	0				36,363	2
2212.1	0				62,809	3
2212.2	(2,891)		12,000		1,409,596	4
2212.3	0				362,778	5
2215.1	0				0	6
2215.2	0				0	7
2231.1	0				0	8
2231.2	0				10,721	9
2232.1	11,555		1,463	(4,207)	846,115	10 J
2232.2	0				0	11
2232.3	0				107,562	12
2421.1	0				0	13
2421.2	7,676	2,125			329,768	14
2422.1	0				0	15
2422.2	0				47,982	16
2423.1	0	200			180,637	17
2423.2	228,023	8,238	202		1,928,914	18
2424.1	0				0	19
2424.2	0				0	20
2426.1	0				0	21
2426.2	0				0	22

NET DEFERRED OPERATING INCOME TAXES (ACCT. 1350, 1410, 1437, 4100, 4340, 4341 & 4361)

This schedule should be used to report the deferred operating income tax portion of the stated accounts. In addition, column (e) of this schedule should be used to report the flowback of property related excess deferred taxes (e.g., 46 percent versus 34 percent federal tax rates). Credit amounts should be shown in ().

Particulars	Balance FOY	
(a)	(b)	
PROPERTY RELATED		
Other Current Assets (1350)	0	1
Other Noncurrent Assets (1410)	0	_ 2
Deferred Tax Regulatory Asset (1437)	1,946	3
Net Current Deferred Operating Income Taxes (4100)	0	4
Net Noncurrent Deferred Operating Income Taxes (4340)	(565,429)	5
Net Deferred Tax Liability Adjustments (4341)	15,828	6
Deferred Tax Regulatory Liability (4361)	(17,771)	7
Net Property Related Deferred Operating Income Taxes	(565,426)	
Less: Allocation to Nonregulated Activity		8
Net Regulated Total Property Related Deferred Operating Income Taxes	(565,426)	
NONPROPERTY RELATED		
Other Current Assets (1350)	1,835	9
Other Noncurrent Assets (1410)	0	10
Deferred Tax Regulatory Asset (1437)	0	11
Net Current Deferred Operating Income Taxes (4100)	0	12
Net Noncurrent Deferred Operating Income Taxes (4340)	0	13
Net Deferred Tax Liability Adjustments (4341)	0	14
Deferred Tax Regulatory Liability (4361)	0	15
Total Nonproperty Related Deferred Operating Income Taxes	1,835	

NET DEFERRED OPERATING INCOME TAXES (ACCT. 1350, 1410, 1437, 4100, 4340, 4341 & 4361) (cont.)

	Balance EOY (g)	Adjustments Debit or (Credit) (f)	Current Year Amortization (e)	Current Year Accrual (d)	Acct (c)
1	0				7250
2	0				7250
3	1,497			(449)	
4	0			,	7250
5	(644,528)	(1)		(79,098)	7250
6	6,104	, ,		(9,724)	
7	(7,598)			10,173	
	(644,525)	(1)	0	(79,098)	
8	0				
	(644,525)	(1)	0	(79,098)	
9	1,610	(225)			7250
10	0				7250
11	0				
12	0				7250
13	0				7250
14	0				
15	0				
	1,610	(225)	0	0	

NOTES PAYABLE (ACCT. 4020)

For affiliate, list note by affiliate. For a particular affiliate, the identical affiliate name, as shown in the Affiliate Abbreviations schedule, should be reported in this schedule. For other, list by note by entity.

Name (a)	Issue Date (b)	Maturity (c)	Interest Rate (d)	Balance EOY (e)	
Affiliated:					
Telecommunications Technologies Fund	07/01/1997	12/31/1998	.0000	1,428,000	1
Total Affiliated			_	1,428,000	_
Total Notes Payable			_	1,428,000	

LONG-TERM DEBT

Report data requested and show total for each long-term debt account at end of year. Information concerning the following debt issues may be reported on individual lines in aggregate: REA/RTB 2%, REA/RTB 5%, & REA/RTB 7%. In addition, REA/RTB and FFB debt, respectively, within a range of 200 basis points may also be reported in aggregate on individual lines. If reported in aggregate, a range of dates may be reported in columns (b) and (c) as well as a range of interest rates in column (d) and a composite interest rate in column (e). If aggregation is not utilized, column (e) should contain the same interest rate as reported in column (d). For account 4050 report only the amount of debt anticipated to be repaid in one year or less.

Description of Debt (a)	Specific or Range of Stated Dates of Issue (b)	Specific or Range of Stated Dates of Maturity (c)	Specific or Range of Interest Rates (d)	
Funded Debt (Account 4210):				
REA	11/07/1966-03/30/1976	11/07/1998-03/30/2005	2.0000	1
REA	06/23/1989	06/23/2018	5.0000	2
RTB	04/10/1978-01/01/1982	11/16/2011	7.0000	3
RTB	02/11/1979-03/12/1985	02/11/2011-03/12/2017	7.5000	4
Total Funded Debt				_

LONG-TERM DEBT (cont.)

		Held by	Utility				
Composit Interest Rate (e)	e	Reacquired Debt Acct. 4240 (f)	Sinking Funds Acct. 1408 (g)	Total Principal EOY (h)	Current Maturities Included in Acct. 4050 (i)	Total Amount Outstanding (j)	
2.00	000	0	0	329,541	63,812	393,353	1
5.00	000	0	0	147,666	4,388	152,054	2
7.00	000	0	0	400,786	18,500	419,286	3
7.50	000	0	0	194,249	8,900	203,149	4
		0	0	1,072,242	95,600	1,167,842	

CAPITAL STOCK ACCOUNTS AT END OF YEAR

In column (a) indicate the stated dividend rate applicable to each series of preferred stock.

Class and Series (a)	Shares Authorized by Charter (b)	Par Value per Share (c)	Call Price End of Year (d)	
COMMON STOCK:				
	13,000	50.00		1
TOTAL COMMON STOCK	13,000			
TOTAL	13,000		_	•

CAPITAL STOCK ACCOUNTS AT END OF YEAR (cont.)

	Acct. 4510 - Capital Stock		Acct. 4530 - T	reasury Stock	
	Shares (e)	Amount (f)	Shares (g)	Amount (h)	
COMMON STOCK:					_
	12,730	636,500	7	700	1
	12,730	636,500	7	700	
TOTAL	12,730	636,500	7	700	_

RETAINED EARNINGS (ACCT. 4550)

Particulars (a)	This Year (b)	Last Year (c)	
Balance-First of Year	4,622,959	4,268,275	1
Changes:			
Balance Transferred from Income	558,018	554,580	2
Dividends Declared:			
Common	225,000	199,896	3
Preferred	0	0	4
Total Dividends Declared	225,000	199,896	
Miscellaneous Debits to Retained Earnings	0	0	5
Miscellaneous Credits to Retained Earnings	0	0	6
BalanceEnd of Year	4,955,977	4,622,959	

DISTRIBUTION OF TAXES

- 1. Report hereunder the summary accounts and functions charged with taxes accrued during the year.
- 2. Where allocation is necessary, explain the basis used.
- 3. Report in a footnote the amounts and kind of taxes cleared from prepaid taxes, if any.

Summary Account/ Function Charged (a)	Wisconsin License Fee (b)	Wisconsin Income Tax (c)	Federal Income Tax (d)
Operating Taxes (Accts. 7210 - 7250)	253,119	73,853	268,912
Nonoperating Taxes (Accts. 7410 - 7450)		552	2,226
Extraordinary Items (Accts. 7630 & 7640)			
Nonregulated Net Income (Acct. 7990)		1,064	4,297
Clearing Accounts			
Construction			
Payroll Taxes: FICA			
Payroll Taxes: State Unemployment			
Payroll Taxes: Federal Unemployment			
Other (specify):			
TOTAL	253,119	75,469	275,435

DISTRIBUTION OF TAXES (cont.)

l ty	PSC Remainder Assessment (e)	State & Local Taxes Other than Wisconsin (g)	Other Taxes (h)	Payroll Taxes (i)	Total (j)
	2,579				598,463
					2,778
					0
					5,361
					0
					0
					0
					0
					0
(2,579	0	0	0	606,602

REVENUES - CLASS A & B (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	This Year (b)	Last Year (c)	
LOCAL NETWORK SERVICES	REVENUES		_
Basic Local Service Revenue (5000)*			1
Basic Area Revenue (5001)	1,545,884	1,337,401	_ 2
Optional Extended Area Revenue (5002)	0	0	3
Cellular Mobile Revenue (5003)	0	0	4
Other Mobile Services Revenue (5004)	1,757	66	5
Public Telephone Revenue (5010)	2,813	8,909	6 E
Local Private Line Revenue (5040)	22,656	23,437	7
Customer Premises Revenue (5050)	75	72	8
Other Local Exchange Revenue (5060)	128,746	99,064	9 (
Other Local Exchange Revenue Settlements (5069)	0	0	10
TOTAL BASIC LOCAL SERVICE REVENUE (5000)	1,701,931	1,468,949	_
NETWORK INTERSTATE ACCESS	SERVICES REV.		
End User Revenue (5081)*	277,451	267,450	11
Switched Access Revenue (5082)*	891,540	841,375	12
Special Access Revenue (5083)*	0	0	13
TOTAL INTERSTATE ACCESS REVENUES (5080)	1,168,991	1,108,825	
NETWORK INTRASTATE ACCESS	S SERVICES REV.		
End User Revenue (5084.1)*	0	0	14
Switched Access Revenue (5084.2)*	877,185	786,908	15
Special Access Revenue (5084.3)*	113,235	101,169	16
TOTAL INTRASTATE ACCESS REVENUES (5084)	990,420	888,077	
LONG DISTANCE NETWORK SERVIO	CES MESSAGE REV.		
Long Distance Message Revenue (5100)*	0	0	17
Long Distance Inward-Only Revenue (5111)	0	0	18
Long Distance Outward-Only Revenue (5112)	0	0	19
Unidirectional Long Distance Revenue (5110) Long Distance Private Network Revenues	0	0	
Subvoice Grade Revenue (5121)	0	0	20
Voice Grade Revenue (5122)	0	0	21
Audio Program Grade Revenue (5123)	0	0	22
Video Program Grade Revenue (5124)	0	0	23
Digital Transmission Revenue (5125)	0	0	24
Switching Revenue (5126)	0	0	25
Other Revenue (5128)	0	0	26
Other Revenue Settlements (5129)	0	0	27
Total Long Distance Private Network Revenue	0	0	
Other Long Distance Revenue (5160)	0	0	28
Other Long Distance Revenue Settlements (5169)	0	0	29
TOTAL LONG DISTANCE NET. SERVICES MESSAGE REV	. 0	0	_

REVENUES - CLASS A & B (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	This Year (b)	Last Year (c)	
MISCELLANEOUS REVENUE	S		
Directory Revenue (5230)*	163,451	147,071	30
Rent Revenue (5240)*	1,323	908	31
Corporate Operations Revenue (5250)*	0	0	32
Miscellaneous:			
Miscellaneous Revenue (5260)*			33
Special Billing Arrangements Revenue (5261)	5,063	5,363	34
Customer Operations Revenue (5262)	0	0	35
Plant Operations Revenue (5263)	0	0	36
Other Incidental Regulated Revenue (5264)	4,306	10,051	37 D
Other Revenue Settlements (5269)	1,215	1,072	38
Total Miscellaneous Revenue (5260)	10,584	16,486	
Interstate Billing and Collection Revenue*	57,654	80,334	39 E
Intrastate Billing and Collection Revenue*	103,600	70,870	40 F
Total Carrier Billing and Collection Revenue (5270)*	161,254	151,204	
Nonregulated Operating Revenue (5280)**			41
TOTAL MISCELLANEOUS REVENUES	336,612	315,669	
GROSS OPERATING REVENUES	4,197,954	3,781,520	
UNCOLLECTIBLE REVENUES	6		
Uncollectible Revenue (5300)*			42
Uncollectible RevenueTelecommunications (5301)	6,616	2,259	43
Uncollectible RevenueOther (5302)	1,033	0	44
TOTAL UNCOLLECTIBLE REVENUE (5300)	7,649	2,259	_
TOTAL OPERATING REVENUES	4,190,305	3,779,261	

 $^{^{\}star\star}$ Account 5280 is to be used only by those companies subject to dual jurisdiction.

EXPENSE MATRIX - CLASS A & B

Particulars (a)	Total Last Year (b)	Total This Year (c)	Salaries / Wages (d)	
PLANT SPECIFIC OPERATIONS EXPENSE				_
Total Network Support Expense (6110)	10,195	8,651	2,428	1
Less: Nonregulated	0	0	0	2
Net Regulated	10,195	8,651	2,428	3
Total General Support Expense (6120)	68,804	74,842	7,992	4
Less: Nonregulated	0	0	0	5
Net Regulated	68,804	74,842	7,992	6
Total Central Office Switching Expense (6210)	79,951	84,770	23,595	7
Less: Nonregulated	0	0	0	8
Net Regulated	79,951	84,770	23,595	9
Total Operator Systems Expense (6220)	0	50	28	10
Less: Nonregulated	0	0	0	11
Net Regulated	0	50	28	12
Total Central Office Transmission Expenses (6230)	32,268	29,205	13,075	13
Less: Nonregulated	0	0	0	14
Net Regulated	32,268	29,205	13,075	15
Total Information Orig. / Term. Expense (6310)	5,605	643	37	16
Less: Nonregulated	0	0	0	17
Net Regulated	5,605	643	37	18
Total Cable and Wire Fac. Expense (6410)	81,150	117,631	27,682	19
Less: Nonregulated	0	0	0	20 G
Net Regulated	81,150	117,631	27,682	21
TOTAL PLANT SPECIFIC OPERATIONS EXPENSE	277,973	315,792	74,837	
Less: Nonregulated	0	0	0	
Net Regulated	277,973	315,792	74,837	_
PLANT NONSPECIFIC OPERATIONS EXPENSE				
Total Other Property, Plant and Equip. Exp. (6510)	11,405	17,377	8,964	22
Less: Nonregulated		0	0	23 H
Net Regulated	11,405	17,377	8,964	_24
Total Network Operations Expense (6530)	248,273	242,445	67,160	25
Less: Nonregulated	0	0	0	26
Net Regulated	248,273	242,445	67,160	27
Access Expense (6540)	0	0	0	28
Less: Nonregulated	0	0	0	29
Net Regulated	0	0	0	30
Total Depreciation and Amortization Expense (6560)	846,206	916,549		31
Less: Nonregulated	0	0		32
Net Regulated	846,206	916,549		_33
TOTAL PLANT NONSPECIFIC OPERATIONS EXP.	1,105,884	1,176,371	76,124	
Less: Nonregulated	0	0	0	
Net Regulated	1,105,884	1,176,371	76,124	_

EXPENSE MATRIX - CLASS A & B (cont.)

	Clearances to (from) (i)	Other (h)	Rents (g)	Benefits (f)	Account (e)
1	(27,924)	32,646	0	1,501	6110
2	0	0	0	0	
3	(27,924)	32,646	0	1,501	
4	0	60,551	279	6,020	6120
5	0	0	0	0	
6	0	60,551	279	6,020	
7	0	45,738	0	15,437	6210
8	0	0	0	0	
9	0	45,738	0	15,437	
10	0	0	0	22	6220
11	0	0	0	0	
12	0	0	0	22	
13	0	7,670	0	8,460	6230
14	0	0	0	0	
15	0	7,670	0	8,460	
16	0	577	0	29	6310
17	0	0	0	0	
18	0	577	0	29	
19	0	45,128	25,488	19,333	6410
20	0	0	0	0	
21	0	45,128	25,488	19,333	
	(27,924)	192,310	25,767	50,802	
	0	0	0	0	
	(27,924)	192,310	25,767	50,802	
22	0	3,034	0	5,379	6510
23	0	0		0	
24	0	3,034		5,379	
25	(50,320)	190,733	0	34,872	6530
26	0	0	0	0	
27	(50,320)	190,733	0	34,872	
28	0	0	0	0	6540
29	0	0	0	0	
30	0	0	0	0	
31		916,549			6560
32		0			T I
33		916,549			
	(50,320)	1,110,316	0	40,251	
	0	0	0	0	
	(50,320)	1,110,316	0	40,251	

EXPENSE MATRIX - CLASS A & B

Particulars (a)	Total Last Year (b)	Total This Year (c)	Salaries / Wages (d)	
CUSTOMER OPERATIONS EXPENSE				_
Total Marketing (6610)	151,843	188,556	19,867	34
Less: Nonregulated	0	0	0	35
Net Regulated	151,843	188,556	19,867	36
Total Services (6620)	535,604	565,662	92,137	37
Less: Nonregulated	0	0	0	38
Net Regulated	535,604	565,662	92,137	39
TOTAL CUSTOMER OPERATIONS EXPENSE	687,447	754,218	112,004	_
Less: Nonregulated	0	0	0	
Net Regulated	687,447	754,218	112,004	
CORPORATE OPERATIONS EXPENSE				-
Total Exec. and Planning (6710)	101,460	104,370	26,025	40
Less: Nonregulated	0	0	0	41
Net Regulated	101,460	104,370	26,025	42
Total General and Administrative (6720)	461,552	549,659	18,261	43
Less: Nonregulated	0	0	0	44
Net Regulated	461,552	549,659	18,261	45
Provision for Uncollectible Notes Receiv. (6790)		0		46
Less: Nonregulated		0		47
Net Regulated	0	0		48
TOTAL CORPORATE OPERATIONS EXPENSE	563,012	654,029	44,286	
Less: Nonregulated	0	0	0	
Net Regulated	563,012	654,029	44,286	
TOTAL EXPENSES	2,634,316	2,900,410	307,251	_
Less: Nonregulated	0	0	0	
Net Regulated	2,634,316	2,900,410	307,251	

EXPENSE MATRIX - CLASS A & B (cont.)

	Clearances to (from) (i)	Other (h)	Rents (g)	Benefits (f)	Account (e)
3	0	161,235	0	7,454	6610
3	0	0	0	0	
3	0	161,235	0	7,454	
3	0	428,843		44,682	6620
3	0	0		0	
3	0	428,843		44,682	
	0	590,078	0	52,136	
	0	0	0	0	
	0	590,078	0	52,136	
4	0	70,125		8,220	6710
4	0	0		0	
4	0	70,125		8,220	
	0	520,631		10,767	6720
4	0	0		0	
4	0	520,631		10,767	
		0			6790
4		0			
4		0			
	0	590,756	0	18,987	
	0	0	0	0	
	0	590,756	0	18,987	
	(78,244)	2,483,460	25,767	162,176	
	0	0	0	0	
	(78,244)	2,483,460	25,767	162,176	
					=

EXPENSE MATRIX - CLASS A & B (DETAIL)

Particulars (a)	Total Last Year (b)	Total This Year (c)	Salaries/ Wages (d)	
Property Held for Future Tele. Use Exp. (6511)	0	0	0	_ 1
Provisioning Expense (6512)	11,405	17,377	8,964	2
Total: Reported in Account 6510	11,405	17,377	8,964	_
Depreciat. ExpTele. Plant in Service (6561)	846,206	916,549		3
Depreciat. ExpProp. Held for Future Tele. Use (6562)	0	0		4
Amortization ExpenseTangible (6563)	0	0		5
Amortization ExpenseIntangible (6564)	0	0		6
Amortization ExpenseOther (6565)	0	0		7
Total: Reported in Account 6560	846,206	916,549		_

EXPENSE MATRIX - CLASS A & B (DETAIL) (cont.)

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6511	0		0	0	1
6512	5,379		3,034	0	2
	5,379		3,034	0	
6561			916,549		3
6562			0		4
6563			0		5
6564			0		6
6565			0		7
			916,549		

CALCULATION OF ASSESSABLE REVENUES FOR REMAINDER AND TELEPHONE RELAY ASSESSMENT PURPOSES

Currently, cooperatives are not billed for remainder assessment, but are subject to Department of Justice and telephone relay assessments.

Description (a)	This Year (b)	
Gross Operating Revenues	4,197,954	1
Plus: Collection of amounts previously written off	0	2
Less: Uncollectibles written off during the year	0	3
Plus: Total Other Operating Income and (Expense) (7100)	1,230	4
Less: Nonregulated Operating Revenue (included Gross Oper. Rev. on Line 1)		5
Plus: Nonregulated Uncollectible Revenue (included in Gross Oper. Rev. on Line 1)		6
Less: Out-of-State Operating Revenues (included in Gross Oper. Rev. on Line 1)	0	7
Plus (or Less) Other (please specify): NONE	0	8
Assessable Revenues for Remainder, Department of Justice, and Telephone Relay Assessment Purposes	4,199,184	-

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	1,701,931	1
Plus: Total Intrastate Access Revenues (5084)	990,420	2
Plus: Total Long Distance Network Services Revenue	0	3
Less: Out-of-State Operating Revenues (included in the above lines)	0	4
Plus (or Less) Other (please specify):		_
NONE	0	5
Assessable Revenues for Universal Service Fund Assessment Purposes	2,692,351	=

CALCULATION OF ASSESSABLE REVENUES FOR REMAINDER AND TELEPHONE RELAY ASSESSMENT PURPOSES

Currently, cooperatives are not billed for remainder assessment, but are subject to the telephone relay assessment.

Description	This Year	
(a)	(b)	
Gross Operating Revenues	4,197,954	1
Plus: Collection of amounts previously written off	0	2
Less: Uncollectibles written off during the year	0	3
Plus: Total Other Operating Income and (Expense) (7100)	1,230	4
Less: Nonregulated Operating Revenue (included Gross Oper. Rev. on Line 1)		5
Plus: Nonregulated Uncollectible Revenue (included in Gross Oper. Rev. on Line 1)		6
Less: Out-of-State Operating Revenues (included in Gross Oper. Rev. on Line 1)	0	7
Plus (or Less) Other (please specify): NONE	0	8
Assessable Revenues for Remainder and Telephone Relay Assessment Purposes	4,199,184	-

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	_
Total Basic Local Service Revenue (5000)	1,701,931	1
Plus: Total Intrastate Access Revenues (5084)	990,420	2
Plus: Total Long Distance Network Services Revenue	0	3
Less: Out-of-State Operating Revenues (included in the above lines) Plus (or Less) Other (please specify):	0	- 4
NONE	0	5
Assessable Revenues for Universal Service Fund Assessment Purposes	2,692,351	=

OTHER INCOME ACCOUNTS (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	This Year (b)	Last Year (c)	,
OTHER OPERATING INCOME AND EXPENSE			-
Income from Custom Work (7110)*	0	0	1
Return from Nonregulated Use of Regulated Facilities (7130)*	1,230	959	2
Gains and (Losses) from Foreign Exchange (7140)	0	0	3
Gains or (Losses) from the Disposition of Land and Artworks (7150)	0	0	_ 4
Other Operating Gains and (Losses) (7160)*	0	0	5
TOTAL OTHER OPERATING INCOME AND (EXPENSE) (7100)*	1,230	959	_
OPERATING TAXES			
Operating Investment Tax CreditsNet (7210)*	(15,701)	(15,701)	_ 6
Operating Federal Income Taxes (7220)*	220,835	189,771	7
Operating State and Local Income Taxes (7230)*	58,531	50,010	_ 8
Operating Other Taxes (7240)*	255,698	220,821	9
Provision for Deferred Operating Income TaxesNet (7250)*	79,100	97,432	_10
TOTAL OPERATING TAXES (7200)*	598,463	542,333	_
NONOPERATING INCOME AND EXPENSE			
Dividend Income (7310)*	290	300	11
Interest Income (7320)*	15,470	16,296	_12
Income from Sinking and Other Funds (7330)*	0	0	13
Allowance for Funds Used During Construction (7340)*	0	8,835	_14
Gains or (Losses) from the Disposition of Certain Property (7350)*	0	0	15
Other Nonoperating Income (7360)*	0		_16
Special Charges (7370)*	4,613	4,076	17
TOTAL NONOPERATING INCOME AND EXPENSE (7300)*	11,147	21,355	-
NONOPERATING TAXES			
Nonoperating Investment Tax CreditsNet (7410)*	0	0	_18
Nonoperating Federal Income Taxes (7420)*	2,226	6,330	19
Nonoperating State and Local Income Taxes (7430)*	552	1,551	_
Nonoperating Other Taxes (7440)*	0	0	21
Provision for Deferred Nonoperating Income Taxes-Net (7450)*	0		_ 22
TOTAL NONOPERATING TAXES (7400)*	2,778	7,881	-
INTEREST AND RELATED ITEMS			
Interest on Funded Debt (7510)*	62,731	63,869	
Interest ExpenseCapital Leases (7520)*	0	0	_24
Amortization of Debt Issuance Expense (7530)*	0	4,694	
Other Interest Deductions (7540)*	97,034	38,944	_ 26
TOTAL INTEREST AND RELATED ITEMS (7500)*	159,765	107,507	-
EXTRAORDINARY ITEMS			
Extraordinary Items (7600)*	0		27
Extraordinary Income Credits (7610)	0		_
Extraordinary Income Charges (7620)	0		29
Current Income Tax Effect of Extraordinary ItemsNet (7630)	0		_30
Provision for Deferred Income Tax Effect of Extraordinary ItemsNet (7640)	0	0	31
TOTAL EXTRAORDINARY ITEMS (7600)*	0	0	-
NONREGULATED NET INCOME			
Nonregulated Net Income (7990)*	16,752	45,042	_32

NONREGULATED NET INCOME (ACCT. 7990)

Particulars (a)	Amount (b)	
Revenues (Acct. 7990.1)		
Gross Sales	203,498	1
Less: Cost of Goods Sold	47,419	2
Net Sales	156,079	3
Expenses (Acct. 7990.2)	139,327	4
Nonregulated Net Income	16,752	5

List the type of nonregulated activities that company is involved in:

Nonregulated activities include the sale, leasing, installation, and maintenance of 1 & 2 line phones, key systems, PBXs, data modems, and Direct Broadcast Satellite (DBS). In addition, nonregulated activities include sales and leasing of mobile and pager equipment where the tariff allows.

If the revenues from an individual nonregulated activity represent in excess of 5% of the total operating revenues for the company, please provide the amounts, as requested above, for that individual activity:

DISTRIBUTION OF SALARIES AND WAGES

Description (a)	Amount (b)	
Regulated Expense	307,251	1
Nonregulated Expense	30,858	2
Plant Accounts	84,629	3
Accumulated Depreciation Accounts	0	4
All Other Accounts	72,107	5
Total Salaries and Wages	494,845	6

EMPLOYEE DATA

Compensation includes wages, commissions, bonuses and any other cash allowances paid to employees.

	Number of Eq Full-Time Em			
Employee Category (a)	FOY (b)	EOY (c)	Total Compensation (d)	
Officers		.00		1
Supervision and Other Management	2.00	2.00	105,913	2
Other Employees	10.00	11.00	367,253	3
Total	12.00	13.00	473,166	•

EMPLOYEE DATA

Compensation includes wages, commissions, bonuses and any other cash allowances paid to employees.

Number of Equivalent Full-Time Employees

	Fuii-Time Employees			
Employee Category (a)	FOY (b)	EOY (c)	Total Compensation (d)	
Officers		.00		1
Supervision and Other Management	2.00	2.00	105,913	2
Other Employees	10.00	11.00	367,253	3
Total	12.00	13.00	473,166	

TELEPHONE CALLS AND MINUTES OF USE PER MONTH

Enter average number, in thousands, of calls and minutes of use per month. The averages may be based on actual counts taken periodically during the year. Please provide level of detail available.

Item (a)	Telephone Calls (000's) (b)	Minutes of Use (000's) (c)	_
LOCAL			
Intra-Exchange			_ 1
Extended Area Service			_ 2
Extended Community Calling			3
Other Local-Undefined			4
Total Local	0	0	_
TOLL			_
Operator Handled: StateintraLATA			_ 5
Operator Handled: StateinterLATA			_ 6
Operator Handled: Interstate			_ 7
Customer Dialed: StateintraLATA		645	_ 8
Customer Dialed: StateinterLATA		698	9
Customer Dialed: Interstate		823	10
WATS			11
Other Toll-Undefined			12
Total Toll	0	2,166	_
Total Local & Toll	0	2,166	_

ACCESS USAGE

Enter number, in thousands, of Billed Minutes.

		Billed Minu	ıtes (000's)		
Description (a)	Interstate InterLATA (b)	Intrastate InterLATA (c)	Intrastate IntraLATA (d)	Interstate IntraLATA (e)	
Feature Group A Orig.	0	0	0	0	1
Feature Group A Term.	0	0	0	0	2
Feature Group B Orig.	7	2	4	0	3
Feature Group B Term.	94	19	2	0	_ 4
Feature Group C Orig.	0	0	0	0	5
Feature Group C Term.	0	0	0	0	6
Feature Group D Orig.	4,802	4,032	3,564	0	7
Feature Group D Term.	4,327	3,773	3,666	0	8

OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - aerial	43	1
Sheath miles of plant - buried	556 2	2
Sheath miles of plant - fiber optics	55	3
Strand miles of plant - fiber optics	820 4	4
Route miles of plant - microwave	0 5	5

SPECIAL ACCESS CIRCUITS IN USE AT END OF YEAR

Circuit Type (a)	InterLATA Chan. Terms. (b)	IntraLATA Chan. Terms. (c)	
Voice grade	11	25	1
56 kbps	6	9	2
64 kbps (DS0)	0	1	3
1.54 Mbps (DS-1)	8	2	4
45 Mbps (DS-3)	0	0	5
SONET OC-1	0	0	6
SONET OC-3	0	0	7
SONET OC-12	0	0	8
SONET OC-48	0	0	9
SONET OC-192	0	0	10

OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - aerial	43	1
Sheath miles of plant - buried	556	2
Sheath miles of plant - fiber optics	55	3
Strand miles of plant - fiber optics	820	4
Route miles of plant - microwave	0	5

SPECIAL ACCESS CIRCUITS IN USE AT END OF YEAR

Circuit Type (a)	InterLATA Chan. Terms. (b)	IntraLATA Chan. Terms. (c)	
Voice grade	11	25	1
56 kbps	6	9	2
64 kbps (DS0)	0	1	3
1.54 Mbps (DS-1)	8	2	4
45 Mbps (DS-3)	0	0	5
SONET OC-1	0	0	6
SONET OC-3	0	0	7
SONET OC-12	0	0	8
SONET OC-48	0	0	9
SONET OC-192	0	0	10

SERVICE DATA

ltem (a)	FOY (b)	EOY (c)	_
Business			_
1 Party	605	613	3
2 Party	0	0	4
4 Party	0	0	_ 5
PBX Trunks/System Trunks	102	114	6
Centrex Trunks	0	0	_ 7
Centrex Lines	264	327	8
Key System Trunks	176	186	_ 9
Mobile (Utility Provided Service)	0	0	10
Paging (Utility Provided Service)	0	0	_ 11
FX-Out (Switched)	12	2	12
Pay Telephone	0	20	_ 13
Coin-Operated Pay Telephone	0	0	14
Independent Pay Telephone Provider	0	0	15
Pay Stations - Public	19	0	16
- Semi-Public	8	0	17
- Cust. Owned	5	0	_ 18
Other	0	0	19
Total Business Lines	1,191	1,262	_ 20
Residential (Incl. Emp. Concess.)			21
1 Party	4,672	4,770	_ 22
2 Party	0	0	23
4 Party	0	0	24
FX-Out (Switched)	14	11	25
Other	2	2	26
Total Residential Lines	4,688	4,783	27
Total Bus & Res Lines	5,879	6,045	28
Company Used Lines	226	207	29
Total Lines Used	6,105	6,252	30 =

SERVICE DATA (cont.)

ltem (a)	FOY (b)	EOY (c)
Miscellaneous	()	(-)
WATS Lines - OutWATS	0	0
WATS Lines - 800 Service	3	1
FX-In-intraLATA	30	0
Special Access-intraLATA		
(expressed in equiv. access lines)	64	83
Special Access-interLATA		
(expressed in equiv. access lines)	25	209
Feature Group A Lines	0	0
Feature Group B Trunks	0	0
Feature Group C Trunks	0	0
Feature Group D Trunks	360	360
TSPS - Trunks	34	34
EAS - Trunks	438	462
Cellular Trunks (Pub. Sw. Net.)	0	0
Video Distance Learning - discounted (special tariff)	0	0
Customers	0	
Business - 2 Party Customers	0	0
Business - 4 Party Customers	0	0
Residential - 2 Party Customers	0	0
Residential - 4 Party Customers	0	0
Other	· ·	
Total Central Office, Info. Orig./Term., & Cable Wire Fac. Assets (based on physical location of plant)	11 245 505	12 744 287
	11,245,695	12,744,387
Total Company Square Miles Total Company Route Miles	205 467	202 493
Footnotes		

SERVICE DATA - END OF YEAR

Item (a)	Exchange (b)	Exchange (c)	Exchange (d)	Exchange (e)	_
PSCW Exchange ID	1130	1220	2450	4730	_ 1
Business					2
1 Party	140	25	291	64	_ 3
2 Party	0	0	0	0	4
4 Party	0	0	0	0	_ 5
PBX Trunks/System Trunks	19	0	80	15	6
Centrex Trunks	CONF	CONF	CONF	CONF	_ 7
Centrex Lines	12	20	70	55	8
Key System Trunks	48	0	113	0	_ 9
Mobile (utility provided service)	0	0	0	0	10
Paging (utility provided service)	0	0	0	0	_ 11
FX-Out (Switched)	1	0	1	0	12
Pay Telephone	10	0	9	0	_ 13
Coin-Operated Pay Telephone	0	0	0	0	14
Independent Pay Telephone Provider	0	0	0	0	_ 15
Pay Stations - Public	0	0	0	0	16
- Semi-Public	0	0	0	0	17
- Cust. Owned	0	0	0	0	_ 18
Other	0	0	0	0	19
Total Business Lines	230	45	564	134	_ 20
Residential (Incl. Emp. Concess.)					21
1 Party	1,100	255	1,828	665	_ 22
2 Party	0	0	0	0	23
4 Party	0	0	0	0	_ 24
FX-Out (Switched)	4	0	4	2	25
Other	1	0	11	0	_ 26
Total Residential Lines	1,105	255	1,833	667	27
Total Bus & Res Lines	1,335	300	2,397	801	_ 28
Company Used Lines	91	7	33	7	29
Total Lines Used	1,426	307	2,430	808	= 30

SERVICE DATA - END OF YEAR

ltem (a)	Exchange (b)	Exchange (c)	Exchange (d)	Exchange (e)
PSCW Exchange ID	5470			
Business				
1 Party	93			
2 Party	0			
4 Party	0			
PBX Trunks/System Trunks	0			
Centrex Trunks	CONF			
Centrex Lines	170			
Key System Trunks	25			
Mobile (utility provided service)	0			
Paging (utility provided service)	0			
FX-Out (Switched)	0			
Pay Telephone	1			
Coin-Operated Pay Telephone	0			
Independent Pay Telephone Provider	0			
Pay Stations - Public	0			
- Semi-Public	0			
- Cust. Owned	0			
Other	0			
Total Business Lines	289	0	0	0
Residential (Incl. Emp. Concess.)				
1 Party	922			
2 Party	0			
4 Party	0			
FX-Out (Switched)	1			
Other	0			
Total Residential Lines	923	0	0	0
Total Bus & Res Lines	1,212	0	0	0
Company Used Lines	69			
Total Lines Used	1,281	0	0	0

SERVICE DATA - END OF YEAR (cont.)

Item (a)	Exchange (b)	Exchange (c)	Exchange (d)	Exchange (e)
PSCW Exchange ID	1130	1220	2450	4730
Miscellaneous				
WATS Lines - OutWATS	0	0	0	0
WATS Lines - 800 Service	0	0	1	0
FX-In-intraLATA	0	0	0	0
Special Access-intraLATA				
(equiv. access lines)	63	1	11	1
Special Access-interLATA				
(equiv. access lines)	52	0	102	0
Feature Group A Lines	0	0	0	0 1
Feature Group B Trunks	0	0	0	0 <u> </u>
Feature Group C Trunks	0	0	0	0 1
Feature Group D Trunks	168	0	96	0 1
TSPS - Trunks	15	0	12	0 1
EAS - Trunks	216	0	132	0 1
Cellular Trunks (Pub. Sw. Net.)	0	0	0	0 1
Video Distance Learning				1
- discounted (special tariff)	0	0	0	0 1
Customers				1
Business - 2 Party Customers	0	0	0	0 2
Business - 4 Party Customers	0	0	0	0 2
Residential - 2 Party Customers	0	0	0	0 2
Residential - 4 Party Customers	0	0	0	0 2
Other Exchange C.O., Info. Orig./Term., & Cable Wire Fac. Assets (based on physical				2 2 2
location of plant)	3,597,923	718,544	4,812,695	1,351,384 2
Exchange Square Miles	37	44	51	23
Exchange Route Miles	141	120	55	67 2
Footnotes				3

SERVICE DATA - END OF YEAR (cont.)

ltem (a)	Exchange (b)	Exchange (c)	Exchange (d)	Exchange (e)
PSCW Exchange ID	5470			
Miscellaneous				
WATS Lines - OutWATS	0			
WATS Lines - 800 Service	0			
FX-In-intraLATA	0			
Special Access-intraLATA				
(equiv. access lines)	7			
Special Access-interLATA				
(equiv. access lines)	55			
Feature Group A Lines	0			
Feature Group B Trunks	0			
Feature Group C Trunks	0			
Feature Group D Trunks	96			
TSPS - Trunks	7			
EAS - Trunks	114			
Cellular Trunks (Pub. Sw. Net.)	0			
Video Distance Learning				
- discounted (special tariff)	0			
Customers				
Business - 2 Party Customers	0			
Business - 4 Party Customers	0			
Residential - 2 Party Customers	0			
Residential - 4 Party Customers	0			
Other				
Exchange C.O., Info. Orig./Term., & Cable	9			
Wire Fac. Assets (based on physical				
location of plant)	2,263,841			
Exchange Square Miles	47			
Exchange Route Miles	110			
Footnotes				

MANUFACTURER ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

	Manufacturer Name (a)	Abbreviation (b)	
Alcatel		AL	1
ATTC		ATT	2
GTE		GTE	3
ITT		ITT	4
Lucent		ATT/LUC	5
Nippon Electric		NEC	6
Northern Telecom		NTI	7
Siemens		SI	8
Stromberg-Carlson		SC	9
VIDAR		VI	10

EQUIPMENT ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

Equipment Type (a)		Abbreviation (b)	
Electromechanical		EM	1
ElectronicAnalog		Α	2
ElectronicDigital		D	3
ElectronicVideo		V	4

MANUFACTURER ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

	Manufacturer Name (a)	Abbreviation (b)	
Alcatel		AL	1
ATTC		ATT	2
GTE		GTE	3
ITT		ITT	4
Lucent		ATT/LUC	5
Nippon Electric		NEC	6
Northern Telecom		NTI	7
Siemens		SI	8
Stromberg-Carlson		SC	9
VIDAR		VI	10

EQUIPMENT ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

Equipment Type (a)		Abbreviation (b)	
Electromechanical		EM	1
ElectronicAnalog		Α	2
ElectronicDigital		D	3
ElectronicVideo		V	4

CENTRAL OFFICE DATA - END OF YEAR

When an exchange has more than one central office, data must be reported for each central office.

Description (a)	Central Off. (b)	Central Off. (c)	Central Off. (d)	Central Off. (e)
Exchange Name	CLEVELAND	COLLINS	HOWARDS GROVE	SAINT NAZIANZ
PSCW Exchange ID	1130	1220	2450	4730
Central Office Name	CLEVELAND	COLLINS	HOWARDS GROVE	SAINT NAZIANZ
PSCW Central Office ID	1	1	1	1_
Manufacturer of COE (Page 54)	ATT	NEC	ATT	NEC
Year COE Installed	1995	1989	1996	1989
Type of Equipment (Page 54)	D	D	D	D
(S)tandalone, (H)ost, (R)emote	Н	R	R	R
Remote Host PSCW Exchange ID		5470	1130	5470
Remote Host PSCW Central Office ID		1	1	1 1
COE Generic Software Release No.	11.	RMT	RMT	RMT 1
SS7?	Yes	No	Yes	No 1
9-1-1?	Yes	Yes	Yes	Yes 1
Access Lines - In Use	1,426	307	2,430	808
- Equipped	2,526	360	4,520	848 1
- Wired	2,622	376	4,520	848 1
Trunks - In Use	407	0	0	0
- Equipped	816	0	0	0 1
- Wired	1,640	0	0	0 1
ISDN Available?	Yes	No	Yes	No 2
ISDN Lines - In Use (BRI)	5	0	0	0 2
- In Use (PRI)	0	0	0	0 2
Switched 56 Service?	No	No	No	No 2
Switched 56 lines in use	0	0	0	0 2
Digital Transmission Facilities: DS-1 - In Use	37	5	28	9
DS-3 - In Use	5	1	1	1 2
Advanced Data Service Available:				
Packet Switching?	No	No	No	No 2
SMDS?	No	No	No	No 2
Frame Relay?	No	No	No	No 2
ATM (Asynchronous Trans. Mode)?	No	No	No	No 3
Video Information - Service Available?	No	No	No	No 3
- In Use (# lines) ¹	0	0	0	0 3
Fiber Transmission Facilities:				
No. of fiber strands entering C.O.	48	16	32	30 3
No. of fiber strands working (LIT) in C.O.	20	4	12	14 3
No. of fiber strands for interoffice use	24	8	16	16 3
Miles of fiber sheath in wire center	16	4	9	11 3
Access Tandem Serving this C.O.:				
- C.O. Name	MILWAUKEE	MILWAUKEE	MILWAUKEE	MILWAUKEE ;
- PSCW C.O. ID	3420-01	3420-01	3420-01	3420-01
Does this C.O. do access tandem switching?	No	No	No	No 3
Equal Access: InterLATA (1+)?	Yes	Yes	Yes	Yes 4
Equal Access: IntraLATA (1+)?	No	No	No	No 4
Footnotes				

¹ Teleco provided end-to-end facility.

CENTRAL OFFICE DATA - END OF YEAR

When an exchange has more than one central office, data must be reported for each central office.

Description (a)	Central Off. (b)	Central Off. (c)	Central Off. (d)	Central Off. (e)
Exchange Name	VALDERS			
PSCW Exchange ID	5470			
Central Office Name	VALDERS			
PSCW Central Office ID	1			
Manufacturer of COE (Page 54)	NEC			
ear COE Installed	1989			
Type of Equipment (Page 54)	D			
S)tandalone, (H)ost, (R)emote	Н			
Remote Host PSCW Exchange ID				
Remote Host PSCW Central Office ID	0			
OE Generic Software Release No.	G 3.2			
SS7?	No			
-1-1?	Yes			
ccess Lines - In Use	1,281			
- Equipped	1,420			
- Wired	1,420			
runks - In Use	209			
- Equipped	216			
- Wired	216			
DN Available?	No			
SDN Lines - In Use (BRI)	0			
- In Use (PRI)	0			
witched 56 Service?	No			
witched 56 lines in use	0			
ligital Transmission Facilities: DS-1 - In Use	27			
DS-3 - In Use	1			
dvanced Data Service Available:				
Packet Switching?	No			
SMDS?	No			
Frame Relay?	No			
ATM (Asynchronous Trans. Mode)?	No			
ideo Information - Service Available?	No			
- In Use (# lines) ¹	0			
iber Transmission Facilities:				
No. of fiber strands entering C.O.	36			
No. of fiber strands working (LIT) in C.O.	10			
No. of fiber strands for interoffice use	16			
Miles of fiber sheath in wire center	15			
ccess Tandem Serving this C.O.:				
- C.O. Name	MILWAUKEE			
- PSCW C.O. ID	3420-01			
oes this C.O. do access tandem switching?	No			
qual Access: InterLATA (1+)?	Yes			
qual Access: IntraLATA (1+)?	No			
ootnotes				

¹ Teleco provided end-to-end facility.

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

General Footnote

Schedule Footnotes

Telephone Calls and Minutes of Use Per Month Footnote. Page 47

This schedule has been completed to the best of our ability. The information requested by number of telephone calls in column (b) is not available due to a change in our companys method of tracking call traffic. We no longer track by number of calls. Numbers in column (c), lines & through 10, contain both customer dialed and operator handled minutes of use. Further breakdown is not available.

Schedule Line Footnotes

- A) Contact Gerald Ringlund at (608) 664-4554 with questions on page 47, page 48, page 49 Special Access Circuits only, page 50, page 51 lines 1-9, page 52 and page 53 lines 1-9. Contact Dave Esser at (608) 664-4530 with questions on page 49 Outside Plant only, page 51 lines 10-30, page 53 lines 10-30 and page 55.
- B) Public telephone revenues decreased due to the deregulation of paystations in April 1997.
- C) Other local exchange revenue increased due to the higher local rates that went into effect January 1997.
- D) Other incidental regulated revenues decreased due to high revenues in 1996 from the reconciliation of balance sheet accounts.
- E) Interstate billing and collection revenues decreased due to lower AT&T programming revenues.
- F) Intrastate billing and collection revenues increased due to increased intrastate traffic.
- G) Buried cable expense increased due to lower then normal outside repair costs in 1996.
- H) Other property, plant, and equipment expense increased due to additional labor costs.
- I) Marketing expense increased due to an intensified effort to promote regulated product lines.
- J) Amounts in columns (g) and (k) are reclasses between accounts or transfers with affiliates.
- K) No data entered in column (g) or (k) for these accounts.
- L) Federal income tax payable to parent is recorded in account 4070100.
- M) Balance consists primarily of leased phones and business systems net of depreciation. This leased investment is depreciated with a rate of 33.33% per year. Individual leases are not tracked separately.
- N) Per the PSC, we are allowed to depreciate this account to 150%.
- O) Per the PSC, we are allowed to depreciate this account to 171%.
- P) TDS Corp Chicago and TDS Corp Madison were merged 4/1/96. All charges from TDS Corp Madison after 4/1/96 are included in the TDS CORP column.